

This letter responds to an annual survey regarding coal mining equipment. See 86 Ill. Adm. Code 130.350. (This is a GIL.)

July 22, 2003

Dear XXXXX:

This letter is in response to your letter dated March 12, 2003. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at [www.revenue.state.il.us/Laws/regs/part1200/](http://www.revenue.state.il.us/Laws/regs/part1200/).

In your letter, you have stated and made inquiry as follows:

Last year you reviewed information concerning the Retailers' Occupation Tax and Use Tax in Illinois as applied to mining. Thank you for responding to our inquiry.

We are now working on updating this information for the 2003 edition of our publication designed to aid in estimating costs for proposed mining projects. Please review the enclosed paragraphs and make any necessary corrections or comments.

Thank you again for your assistance. It is greatly appreciated. If you would like a copy of our tax section covering Western states, and selected Midwestern and Eastern states, please let me know. I will be happy to send you a copy when the 2003 version is printed.

The Retailers' Occupation Tax Act imposes a tax upon persons engaged in the business of selling at retail tangible personal property. 35 ILCS 120/2 (2000 State Bar Edition). The Use Tax Act imposes a tax upon the privilege of using in this State tangible personal property purchased at retail from a retailer. 35 ILCS 105/3 (2000 State Bar Edition). The information contained in your publication regarding sales and use tax exemptions is no longer correct. The Coal Exploration exemption has been repealed. If you need any further information please see the following proposed and adopted regulations:

- 86 Ill. Adm. Code 130.330 Manufacturing Machinery and Equipment,
- 86 Ill. Adm. Code 130.350 Coal Exploration, Mining, Off Highway Hauling, Processing, Maintenance and Reclamation Equipment,
- 86 Ill. Adm. Code 130.1951 Enterprise Zones, and
- 86 Ill. Adm. Code 130.1952 Sales of Building Materials to a High Impact Business.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk